



[3510-16-P]

## **DEPARTMENT OF COMMERCE**

### **United States Patent and Trademark Office**

#### **37 CFR Part 3**

**[Docket No.: PTO-P-2012-0047]**

### **Notice of Roundtable on Proposed Requirements for Recordation of Real-Party-in-Interest Information Throughout Application Pendency and Patent Term**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Notice of public meeting; Request for comments.

**SUMMARY:** The United States Patent and Trademark Office (USPTO) is considering promulgating regulations that would require greater public transparency concerning the ownership of patent applications and patents by requiring the provision of real-party-in-interest information during patent prosecution and at certain times post-issuance. As part of this initiative, the USPTO is conducting a roundtable to obtain public input from organizations and individuals on how the USPTO could change its rules of practice to collect and provide such ownership information and make it publicly available. The USPTO plans to invite a number of roundtable participants from among patent user groups, practitioners, industry, independent inventor organizations, academia, and government. The roundtable also is open for any member of the public to provide input.

**DATES:** The roundtable will be held on Friday, January 11, 2013, beginning at 8:30 a.m. and ending at 12:00 p.m. EDT.

The deadline for receipt of requests to participate in the roundtable is Friday, December 21, 2012.

The deadline for receipt of written comments is Friday, January 25, 2013.

**ADDRESSES:** The roundtable will be held at the USPTO, in the Madison Auditorium on the concourse level of the Madison Building, which is located at 600 Dulany Street, Alexandria, Virginia 22314.

Requests to participate at the roundtable are required and must be submitted by electronic mail to saurabh.vishnubhakat@uspto.gov. Requests to participate at the roundtable should indicate the following information: (1) the name of the person desiring to participate and his or her contact information (telephone number and electronic mail address); and (2) the organization(s) he or she represents.

Written comments may be submitted by either of the following methods:

- *Electronic Mail:* saurabh.vishnubhakat@uspto.gov <mailto:SMEpatenting@uspto.gov>.

- *Postal Mail:* Saurabh Vishnubhakat, Expert Advisor, Office of Chief Economist, United States Patent and Trademark Office, Mail Stop External Affairs, P.O. Box 1450, Alexandria, VA 22313-1450.

Although written comments may be submitted by postal mail, the USPTO prefers to receive written comments via electronic mail.

The written comments and list of the roundtable participants and their associations will be available for public inspection at the Office of Chief Economist, located in the Madison Building East, Second Floor, 600 Dulany Street, Alexandria, Virginia 22314, and will be available via the USPTO Web site (address: <http://www.uspto.gov>). Because written comments will be made available for public inspection, information that is not desired to be made public, such as an address or phone number, should not be included in the written comments.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information should be directed to Saurabh Vishnubhakat by electronic mail at [saurabh.vishnubhakat@uspto.gov](mailto:saurabh.vishnubhakat@uspto.gov) or by telephone at (571) 272-6900.

#### **SUPPLEMENTARY INFORMATION:**

The USPTO is considering means for collecting and disseminating information about the real-party(ies)-in-interest for patent applications and issued patents. It is increasingly clear that the completeness of the patent record, including the ownership of patent applications and patents, plays an essential role in the efficient functioning of innovation markets. Since intangible assets now make up over fifty percent of the value of business outputs of U.S. industry, intellectual

property rights are one key mechanism by which such intangibles can be exchanged, providing profits for innovators and moving technologies to their most efficient uses in the economy.

To avoid business and legal risk, the clearing of intellectual property rights is often undertaken by manufacturers or distributors prior to production and marketing. In such cases, the clearance of intellectual property rights is often made more difficult and time-consuming, legally risky, and expensive because current ownership information on patent applications and issued patents is not available. An incomplete ownership record thus presents a significant barrier to competition and market efficiency. Markets operate most efficiently when buyers and sellers can find one another. Yet in our current system, fragmented ownership in the patent rights covering complex products leads to potential buyers facing difficulty finding sellers, and to potential innovators not understanding the nature of the marketplace they are considering entering.

To address the need for accurate ownership information for pending patent applications and issued patents, the USPTO is interested in providing more complete patent ownership information to the public, in accordance with the Office's duty under 35 U.S.C. 2(a)(2) of "disseminating to the public information with respect to patents."

A more complete ownership record would produce a number of benefits. The public would have a more comprehensive understanding of what patent rights being issued by the United States are being held and maintained by various entities. The financial markets would have more complete information about the valuable assets being generated and held by companies. Inventors and manufacturers would better understand the competitive environment in which they are operating,

allowing them to better allocate their own research and development resources, and more efficiently obtain licenses and accurately value patent portfolios and patent estates that they may seek to acquire.

Beyond providing these public benefits, accurate and up-to-date ownership information is needed to facilitate examination of patents by the USPTO, particularly in light of certain new provisions of the America Invents Act, Pub. L. 112-29 (Sept. 16, 2011) (“AIA”), that will become effective in March 2013. Courts have previously recognized that the USPTO has the authority to promulgate regulations that “shall govern the conduct of proceedings in the Office.” *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1282 (Fed. Cir. 2005) (quoting 35 U.S.C. 2(b)(2)); *see also Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1335 (Fed. Cir. 2008) (“To comply with section 2(b)(2)(A), a Patent Office rule must be ‘procedural’—i.e., it must ‘govern the conduct of proceedings in the Office.’”). Pursuant to this authority, the Office may require the submission of information that is reasonably necessary to proper examination or treatment of the matter at hand, provided that such requests are not arbitrary or capricious. *See Star Fruits*, 393 F.3d at 1283-84.

Furthermore, the USPTO seeks real-party-in-interest information in part to ensure that a “power of attorney” is current in each case. The USPTO has a strong interest in ensuring that current representatives in any proceeding before the USPTO are authorized by the current owner. *See Lacavera v. Dudas*, 441 F.3d 1380, 1383 (Fed. Cir. 2006) (“[T]he PTO has broad authority to govern the conduct of proceedings before it and to govern the recognition and conduct of attorneys.”).

Moreover, for patent proceedings before the Office, it is important for the USPTO to know the real party(ies) in interest in order to avoid potential conflicts of interest for judges and examiners alike. For example, “in the case of the Board, a conflict would typically arise when an official has an investment in a company with a direct interest in a Board proceeding. Such conflicts can only be avoided if the parties promptly provide information necessary to identify potential conflicts.” *See* Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612, 48617 (Aug. 14, 2012). Like administrative patent judges at the Board, “[p]atent examiners are quasi-judicial officials.” *Western Elec. Co., Inc. v. Piezo Tech., Inc.*, 860 F.2d 428, 431 (Fed. Cir. 1988) (citing *Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 67 (1884)). Accordingly, a clear identification of the real-party-in-interest is important to ensure that officials are able to recuse themselves in view of any conflict-of-interest apparent from the disclosure. In addition, “[t]he identity of a real party in interest might also affect the credibility of evidence presented in a proceeding.” 77 FR at 48617.

Additionally, changes made by the America Invents Act to the categories of what constitutes prior art increase the need to have accurate and up-to-date ownership information about patent applications and issued patents in order to make determinations of novelty. *See* 35 U.S.C. 102(b). In particular, section 102(b)(2)(C) exempts as prior art those patent applications or issued patents that name different inventors where “the subject matter disclosed and the claimed invention, *not later than the effective filing date* of the claimed invention, *were owned by the same person* or subject to an obligation of assignment to the same person” (emphasis added).

Because ownership of an earlier-filed patent application or issued patent may prevent its use as prior art against a later-filed patent application, patentability may depend not just on the content of the prior art patent application or issued patent, but also on who owns it.

Further, new section 102(b)(2)(C) differs from the previous statutory provision on which it was based, 35 U.S.C. 103(c)(1) (2011). While section 103(c)(1) (2011) concerned an exception to obviousness rather than an exception to what constitutes prior art, it otherwise recited virtually identical language to that of the current section 102(b)(2)(C) except that section 103(c)(1) stated that patentability was not precluded where “the subject matter and the claimed invention were, *at the time the claimed invention was made*, owned by the same person or subject to an obligation of assignment to the same person.” Under the earlier section 103(c)(1), whether earlier subject matter was prior art was established at the time when the claimed invention in the later-filed application was “made,” by considering whether the earlier subject matter was owned by the same entity that owned (or had a right to own) the claimed invention that was just made. In contrast, under new section 102(b)(2)(C), there may be an opportunity—in the period before the filing of the second application—for ownership to change in a way that affects whether the earlier patent or patent application is prior art for purposes of section 102(b). As a result, tracking ownership information for patent applications and issued patents is directly relevant to questions of novelty during prosecution and to mechanisms for challenging patents post-issuance.

In the prosecution context, the new section 102(b)(2)(C) presents the possibility that a greater amount of prior art might be subject to this exemption than under previous section 103(c)(1),

which, in turn, could render the current method of handling the possibility of common ownership—the examiner presenting an initial rejection, and the applicant rebutting the rejection with proof of ownership, *see* MPEP section 706.02(1)(2)—inefficient in a manner that would undermine the principles of compact prosecution. *See id.* at section 706 (“The goal of examination is to clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity.”).

In addition, the availability of new types of third-party proceedings that may be filed with the USPTO has created a need for the Office to collect and publish timely ownership information. Previously, many “proceedings in the Office” were initiated by patent applicants or applicants-turned-patentees. In the relatively recent past, third parties have become able to initiate *ex parte* reexamination proceedings (1981) as well as *inter partes* reexamination proceedings (1999). Such third party-initiated reexamination proceedings often arose out of disputes between the patentees and third-party requestors. Now, under the AIA, parties with no ownership interest in the patent, *i.e.*, third parties, are entitled to request initiation of certain post-grant proceedings before the Office, including *inter partes* review under 35 U.S.C. 311 and post-grant review under 35 U.S.C. 321. Because of certain statutory deadlines imposing short time frames for action (*e.g.*, nine months after patent grant, *see* 35 U.S.C. 321(c)), it may often be impractical or impossible for third parties to discover ownership information through other means, such as through disputes arising between patentees and third parties. Accordingly, whether to initiate such proceedings is a decision that third parties will often have to make based primarily on the



USPTO record, making it important for that record to contain ownership information that is as accurate and complete as possible.

In particular, both *inter partes* reexamination and post-grant review proceedings contemplate that challenges may be predicated on prior art under 35 U.S.C. 102(b)(2)(C). *See* 35 U.S.C. 311(b) and 321(b) (allowing for use of prior art under, *inter alia*, section 102(b)(2)(C) in *inter partes* and post-grant review proceedings, respectively). But third parties will not necessarily be able to ascertain what is properly considered prior art under section 102(b)(2)(C) without access to accurate ownership information for patent applications and issued patents (including a record of whether and how ownership has changed). In part for this reason, the Office plans not only to collect such ownership information, but also to make it publicly available concurrently with the publication of patent applications or issued patents.

In addition, for patents that enter any kind of post-grant review proceedings, the Office requiring the submission of updated ownership information for that patent (or a confirmation that the ownership information has not changed) would facilitate reexamination for the reasons discussed previously in this notice. Furthermore, it would allow the Office to verify that a *bona fide* third party is making the request for *inter partes* review or post-grant review, as required by 35 U.S.C. 311(a) and 321(a), respectively; to verify that the petitioner applying for review of a covered business method patent is a real-party-in-interest or privy to an entity that has been sued or charged with infringement of that patent, as required by 37 CFR 42.302(a); and to verify that a *bona fide* patent owner is making the request for supplemental examination, as required by 35 U.S.C. 257(a).

Moreover, because the USPTO will be collecting and publishing this information, it also has an interest in ensuring that such public information remains as accurate and up-to-date as possible. This is consistent with several statutory provisions directing the Office to disseminate information to the public as well as those directing the Office to provide access to information through electronic means. *See* 35 U.S.C. 2(a)(2) (creating a duty of “disseminating to the public information with respect to patents”); section 10(a)(4) (providing for publication of information, including “annual indexes of . . . patentees”); section 10(b) (providing that the “Director may exchange . . . for publications desirable for the use of the [Office]”); and section 41(i) (creating a duty to provide access to information electronically).

The USPTO published a Request for Comments on November 23, 2011, regarding whether regulations should be promulgated for the collection of assignment and real-party-in-interest information for both applications and patents. *See* Request for Comments on Eliciting More Complete Patent Assignment Information, 76 FR 72372 (Nov. 23, 2011). Responses to this request for comments were more favorable towards the proposal than unfavorable. *See* [http://www.uspto.gov/patents/law/comments/patent\\_assignment\\_information.jsp](http://www.uspto.gov/patents/law/comments/patent_assignment_information.jsp).

The USPTO is now planning to conduct a roundtable at its Alexandria, Virginia, campus to discuss with the patent and innovation community whether—and, if so, how—the USPTO should require submission of real-party-in-interest information throughout the pendency of an application and the enforceable life of a patent. To focus the discussion, the USPTO provides

the following description of what information it envisions collecting, and how such information will be collected and published:

### **Information to be Collected**

The USPTO proposes to collect “real-party-in-interest” (“RPI”) information on patent applications and patents in order to facilitate examination before the Office and for the other reasons and benefits discussed above. The USPTO believes that these interests can be met through the collection of RPI information where RPI is defined in at least two different ways, described in more detail below. It is important to note that the Office would consider whatever definition is adopted for this purpose as not necessarily coinciding with how the term real-party-in-interest may be used elsewhere in the Office, or with the term “ownership” as that term is used in Title 35 and in the Office’s implementing regulations. The Office welcomes comments on the definitions proposed here for RPI, as well as the suitability of other definitions or standards.

### ***Alternative Definition 1: “Broad” RPI***

Under the first alternative definition, RPI would correspond to those entities having the legal right to enforce the patent, *i.e.*, those parties that would be necessary and sufficient to bring a legal infringement action. *See Vaupel Textilmaschinen KG v. Meccanica Euro Italia SPA*, 944 F.2d 870, 875–76 (Fed. Cir. 1991); 35 U.S.C. 154(a)(1). As discussed above, this information is directly relevant to identifying conflicts of interest that might arise in examination contexts. Moreover, it is consistent with the need to make prior art determinations under 35 U.S.C. 102(b)(2)(C) because it identifies all parties that might have a claim to ownership of the patent application or issued patent. This definition would likely require disclosure of exclusive

licensees in certain cases. This RPI information would be useful both to the Office and to the public by providing a clear idea of all the entities that have an interest in the patent application or issued patent as well as, for patents, a clear idea of the entity(ies) in possession of the legal right to exclude. *See* 35 U.S.C. 154.

***Alternative Definition 2: “Limited” RPI***

Under the second alternative definition, the interested parties needing to be disclosed would be limited to the legal title holder(s) and “ultimate parent entity(ies)” of the patent application or issued patent. The term “ultimate parent entity” would be based on the definition (along with the accompanying examples) set forth in 16 CFR 801.1(a)(3), which defines it as “an entity which is not controlled by any other entity.” The rationale behind defining RPI in this manner is to limit the entities that need to be identified based on the assumption that although not every interested entity would be listed, information about these other parties (if needed) could, in most cases, be deduced or obtained from the information provided. For example, information provided about the ultimate parent entity would be likely to alert the examiner to a conflict of interest not otherwise disclosed in many cases, even if the actual conflict concerned a subsidiary entity that did not itself need to be disclosed. Focusing information collection on the ultimate parent entity could also facilitate searches for patent applications and issued patents having common ownership, which could be of benefit to the Office and public alike. Moreover, this narrower definition of RPI would have the benefit of potentially reducing administrative costs in collecting and updating RPI information. Exclusive licensee information would likely not need to be provided, and following section 801.1, the United States or foreign states would not need to be reported as ultimate parent entities (though they may still be legal title holders). Although the

Office considers the definition in section 801.1 as a model, the Office welcomes any suggestions on how to modify the definition to be more suitable for use before the USPTO, and on whether the direct adoption of a well-established definition would itself be beneficial.

### **Timing of RPI Information Collection**

For purposes of facilitating examination and the ability of third parties to appropriately seek to challenge patents post-issuance, the USPTO aims to provide RPI information for patent applications and issued patents that is as up-to-date and accurate as possible. To this end, the USPTO envisions collecting such information at the time that an application is initially filed for internal examination purposes (though this information will be treated as confidential in accordance with the provisions of 35 U.S.C. 122); requiring applicants to notify the Office about any changes in RPI information during prosecution; and verifying on at least two occasions that the information on file is correct: immediately prior to 18-month publication (though patent applications would only be published in accordance with 35 U.S.C. 122), and prior to issuance. For issued patents, the Office will likewise require the information on file to be verified or updated when maintenance fees are paid and if the patent becomes involved in any post-issuance proceedings before the Office.

The Office plans to collect RPI information from applicants in the application data sheet (for example, Application Data Sheet, PTO/SB/14) instead of, or in addition to, the current “Assignee” information. Intervening updates would be submitted to the Office through the submission of an additional “change form.” An applicant would have a duty to update the RPI information within a reasonable time period of any change. *See* 37 CFR 1.56. The Office

envisions that a reasonable period of time would be within three months of any reportable change, similar to the presumptive period of time in which applicants are expected to reply to any notice or action by the Office in the context of patent term adjustments under 37 CFR 1.704(b). The pre-18-month publication verification would likely necessitate the submission of a new form. For issuance, the Office envisions this process as simply including a statement that the applicant or owner “certifies that the RPI information on file at the USPTO is accurate and unchanged.” Any unreported changes at this time could be fixed by filling out the aforementioned change form and, as appropriate, any fees or explanation why such change had not been reported earlier. The USPTO welcomes feedback about how long a presumptive reasonable time period would be and about mechanisms for excusing late updates in appropriate circumstances. *See, e.g.*, 37 CFR 1.137 (providing for revival of lapsed patents or patent applications where delay was unavoidable or unintentional).

After patent issuance, the USPTO intends to have RPI information verified at the time of maintenance fee payments using a procedure similar to that outlined for issuance of a patent (the inclusion of a statement verifying that the USPTO information is accurate, or the submission of a change form if not). The Office likewise plans to collect such information any time that an issued patent is involved in a proceeding before the Office post-issuance, including: reissue applications under 35 U.S.C. 251, supplemental examinations under 35 U.S.C. 257, reexaminations under 35 U.S.C. 302, *inter partes* reviews under 35 U.S.C. 311, post-grant reviews under 35 U.S.C. 321, and the transitional program for covered business method patents under 37 CFR part 42, subpart D.

In sum, the Office envisions collecting or verifying RPI information as follows:

<b><i>Submission of application:</i></b>	Applicant provides RPI information as part of the original application data sheet.
<b><i>Through pendency of prosecution:</i></b>	Applicant is responsible for ensuring that any changes in RPI information are submitted to the Office within a reasonable period of time.
<b><i>Prior to 18-month publication date:</i></b>	Applicant submits a form verifying that RPI information on file is accurate. Changes may be submitted in a supplemental form with an explanation for why the submission is timely. Note that information may be collected for all applications, though applications will only be published in accordance with 35 U.S.C. 122.
<b><i>Upon issuance:</i></b>	Applicant's payment is accompanied by a form statement that RPI information on file is accurate. Changes may be submitted in a supplemental form with an explanation for why the submission is timely.
<b><i>Upon payment of maintenance fees:</i></b>	Patentee's payment is accompanied by a form statement that RPI information on file is accurate, or is accompanied by changes in a supplemental form.
<b><i>Involvement in any post-grant proceedings:</i></b>	Patentee is required to verify that RPI information on file is accurate, or to submit changes in a supplemental form.

The Office envisions this process applying to new applications filed after the date of any final rules coming into effect and after 35 U.S.C. 102(b)(2)(C) becomes effective on March 16, 2013. For pending applications where there has already been submission of an application data sheet, applicants would be required to submit RPI information at the next event described above (prior to 18-month publication or prior to issuance, or in conjunction with any continuing applications), and would then be responsible for updating any changes thereafter, through patent issuance. For issued patents, RPI information would be required in conjunction with the payment of the next maintenance fee, and with any subsequent maintenance fee payments thereafter—or instead, verification that the RPI information on file is unchanged.

### **Provision of RPI Information to the Public**

While the USPTO would be able to use the information collected immediately for examination purposes, RPI information would be made available to the public in accordance with 35 U.S.C. 122, with RPI information being published in conjunction with the publication of a patent application or issued patent. The Office anticipates providing information about the current RPI as well as a history of any RPI changes in an accessible electronic format, such as on Public PAIR, in conjunction with a patent application or issued patent.

### **Details About the Roundtable**

The number of participants in the roundtable is limited to ensure that all who are speaking will have a meaningful chance to do so. The USPTO plans to invite a number of participants from patent user, practitioner, industry, and independent inventor organizations, as well as academia, industry, and government to provide input. The USPTO also plans to have a few at-large participants based upon requests received in response to this notice to ensure that the USPTO is receiving a balanced array of views on possible requirements for patent ownership recordation.

The roundtable is open to the public, but participation in the roundtable is by request, as the number of participants in the roundtable is limited. While members of the public who wish to participate in the roundtable must do so by request, members of the public who wish solely to observe need not submit a request to attend. Any member of the public, however, may submit written comments for consideration by the USPTO on issues raised at the roundtable or on any issue pertaining to patent ownership recordation. Persons submitting written comments should note that the USPTO does not plan to provide a “comment and response” analysis of such comments, as this notice is not a notice of proposed rulemaking.



The USPTO plans to make the roundtable available via Web cast. Web cast information will be available on the USPTO's Internet Web site before the roundtable. The written comments and list of the roundtable participants and their associations will also be posted on the USPTO's Internet Web site.

**Date:** November 9, 2012

\_\_\_\_\_  
David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office

[FR Doc. 2012-28333 Filed 11/23/2012 at 8:45 am;  
Publication Date: 11/26/2012]